

# Public Lands and Energy

BLM National Fluid Minerals Conference

Cheyenne, Wyoming

June 22, 2004

By

Rebecca W. Watson

Assistant Secretary, Land and Minerals Management

U.S. Department of the Interior

Washington, D.C.

***“We must work to build a new harmony between energy needs and our environmental concerns. The truth is energy production and environmental protection are not competing priorities. They are dual aspects of a single purpose, to live well and wisely upon the earth.”***

***President George Bush, National Energy Policy***

***“America’s \$11 trillion plus economy rests on an energy foundation. Oil, natural gas, coal and nuclear account for about 93% of that foundation. We have to continue to recognize that there is only one [world] oil market and U.S. security resides in the stability of that market.”***

***Daniel Yergin,  
Chairman of Cambridge Energy Research***

**Federal Reserve Chairman, Alan Greenspan testified that:**

***“If on the one hand we have encouraged, as we have, very significant growth in domestic demand for natural gas – but are constrained by our ability to increase supply – then something has got to give, and what is giving, of course, is price.”***

**Joint Economic Committee of Congress  
May 21, 2003**

***The price of gas has been volatile, running about \$2 per million BTUs (British thermal units) a few years ago to as high as \$10 in shortage-induced spikes.***

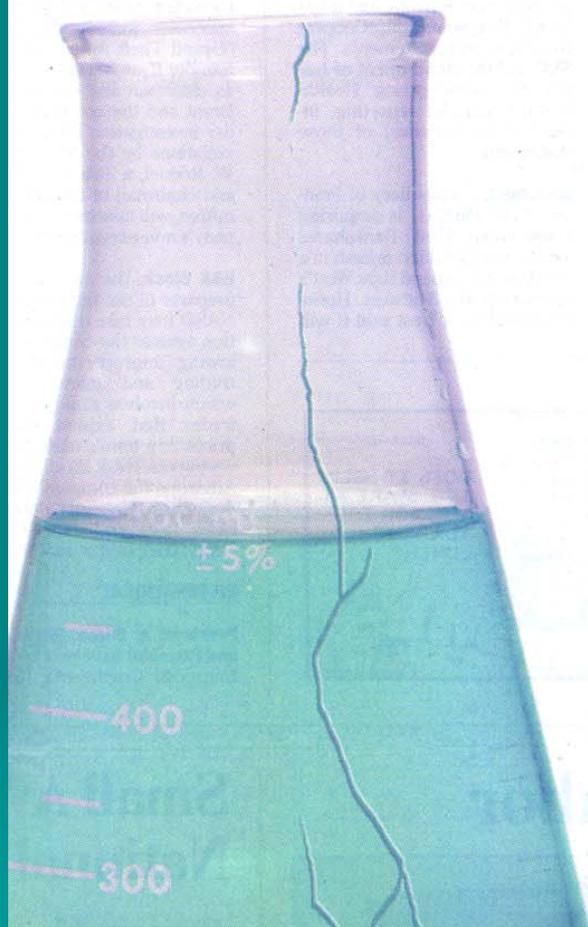
**The Christian Science Monitor – February 19, 2004**

[ The Washington Post ]

# BUSINESS

WEDNESDAY, MARCH 17, 2004

## Chemical Industry in Crisis



*Natural Gas Prices Are Up,  
Factories Are Closing,  
And Jobs Are Vanishing*

By GREG SCHNEIDER  
Washington Post Staff Writer

NITRO, W.Va.—Soon after the Flexsys chemical plant celebrates its 75th anniversary this month, demolition crews will tear it down.

"Nothing over three inches high is going to be left here," plant manager Jon McKinney said.

The former explosives factory gave the town its name, and its demise will eliminate 205 jobs and yet another piece of the once-powerful U.S. chemical industry.

Chemicals are an unglamorous part of the manufacturing world, with products that have unpronounceable names and often hazardous qualities. But they are essential to a host of industries, from automaking to textiles to agriculture. Hardeners make tires more durable. Polymers put the spring in athletic shoes, and nitrogen fertilizers increase crop yields.

As the nation's manufacturing base seems to shrink daily from factories closing or relocating overseas, the health of the chemical sector is a crucial measure of how deep the problem goes. And chemicals are in crisis, squeezed not only by cheap foreign competition but also by soaring energy costs.

Across the country, 1 in every 10 chemical-related jobs has vanished in the past five years—nearly 100,000 workers—and that number would be worse if not for a surge in one segment, pharmaceuticals.

The chemical industry's eight-decade run as a major exporter has ended, with a \$19 billion trade surplus in 1997 becoming a \$9.6 billion deficit last year, according to the American Chemistry Council.

Governors and chemical executives have appealed to

See CHEMICALS, E10, Col. 1

# Americans' Low "Energy IQ:" A Risk to Our Energy Future

*Why America Needs a Refresher Course on Energy*

The Tenth Annual National Report Card:  
Energy Knowledge, Attitudes, and Behavior

August 2008

The National Environmental Education & Training Foundation • Report #2008

# **U.S. Dependency on World Oil**

**Today America imports 60% of our oil. In 2025, EIA predicts imports will rise to 68%.**

**90% of our oil is used for transportation.**

# **Domestic Natural Gas**

**Today, 99% of natural gas is produced in  
North America**

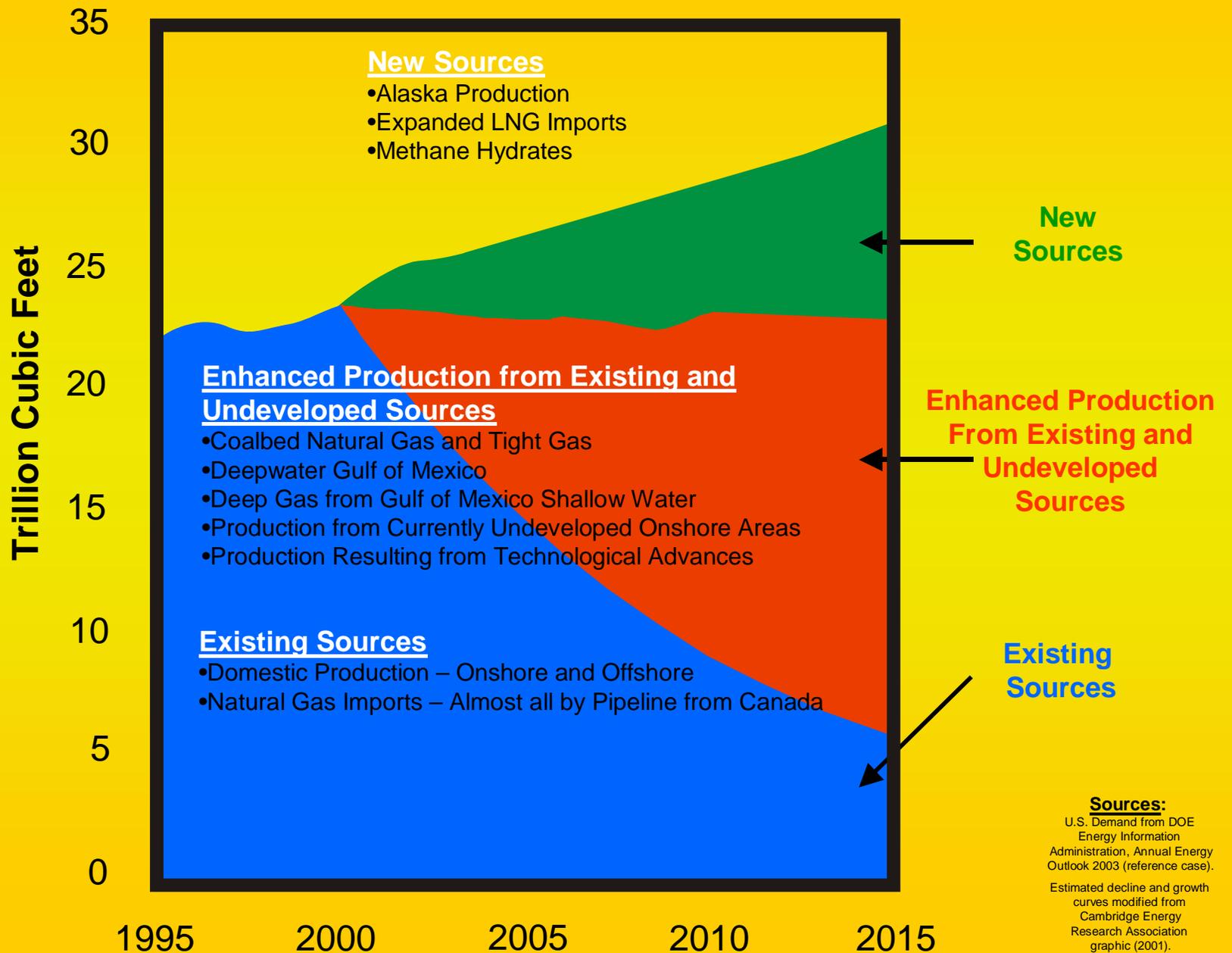
**84% in the U.S.**

**15% in Canada**

**1% imported Liquefied Natural Gas (LNG)**

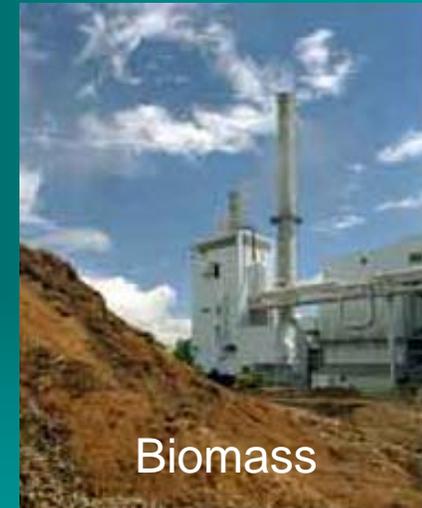
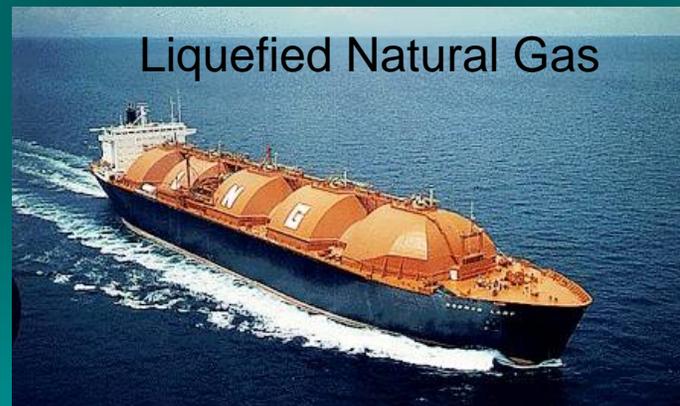
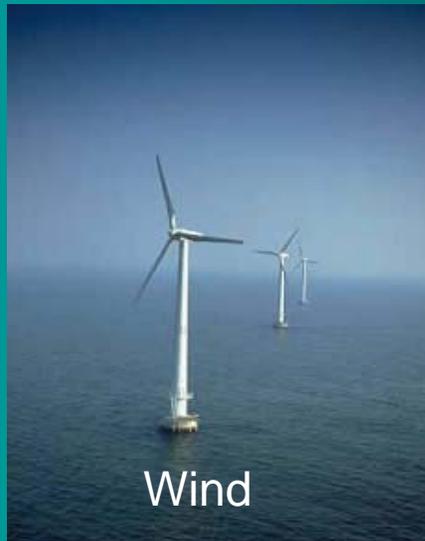
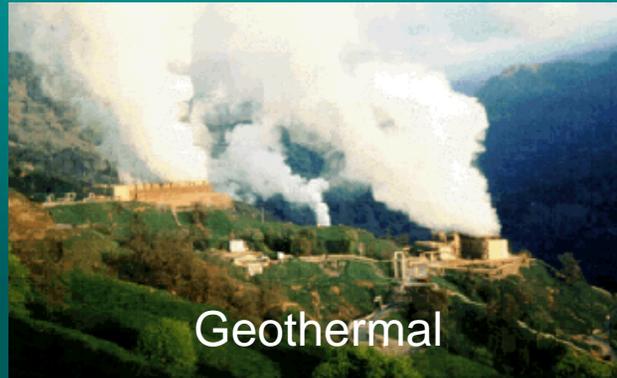
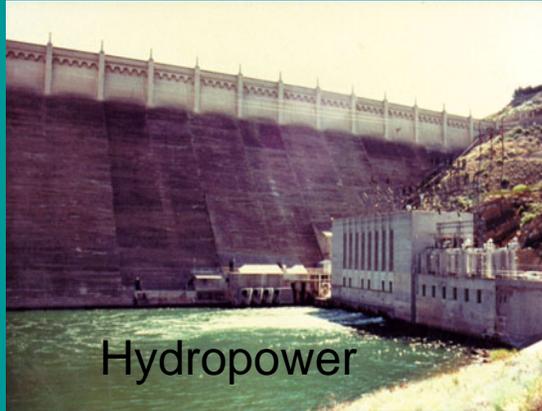
**2025 natural gas demand grows 50%,  
gas supply grows only 14%**

# U.S. NATURAL GAS SUPPLY EXISTING AND FUTURE SOURCES



**Sources:**  
 U.S. Demand from DOE  
 Energy Information  
 Administration, Annual Energy  
 Outlook 2003 (reference case).  
 Estimated decline and growth  
 curves modified from  
 Cambridge Energy  
 Research Association  
 graphic (2001).

# Silver Bullets?



# Can Conservation Close the Natural Gas Gap?

*“...even with increased energy efficiency and renewable energy, the country is still going to use significant fossil fuel.”*

David Doniger, Natural Resources Defense Council from High Country News –  
April 26, 2004

# **Role of Public Lands in America's Energy Situation**

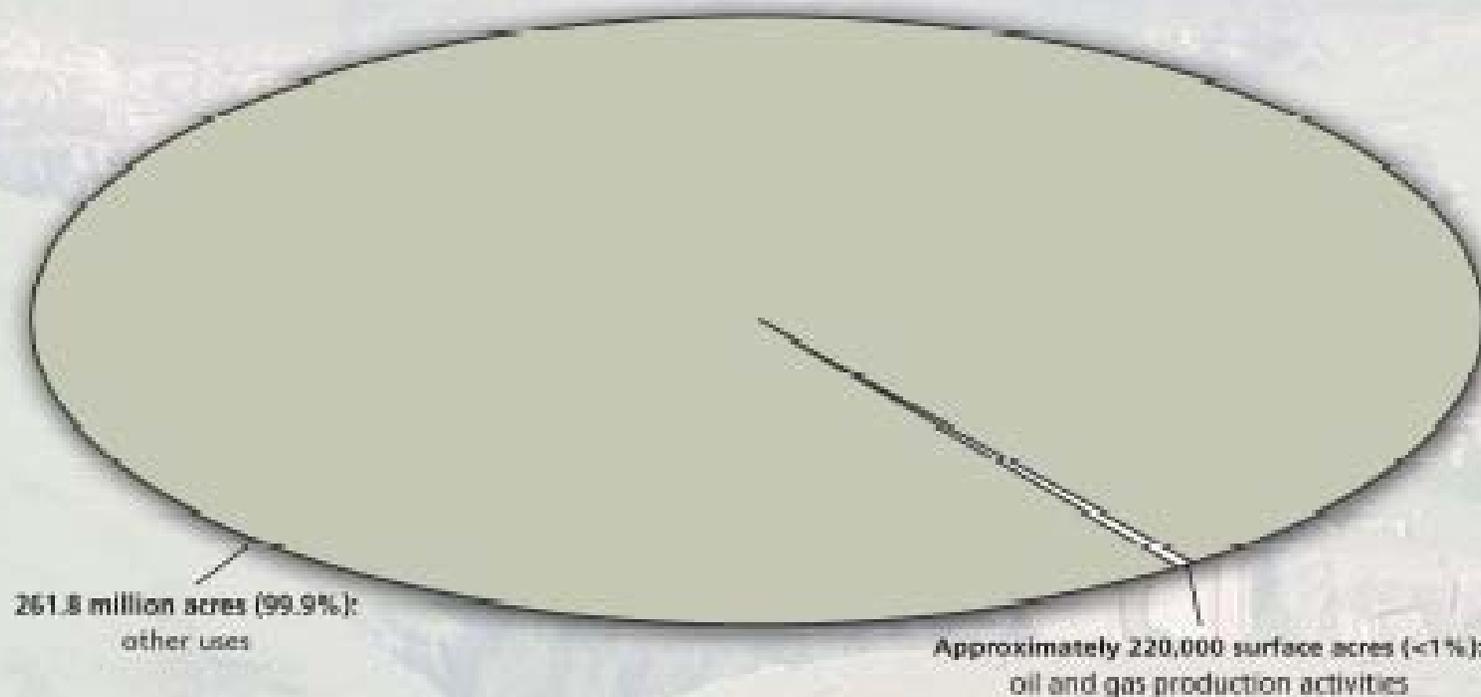
**Public Resources Supply 35% of  
America's Natural Gas**

**24% - Offshore: Minerals Management Service  
(MMS)**

**11% - Onshore: Bureau of Land Management  
(BLM)**

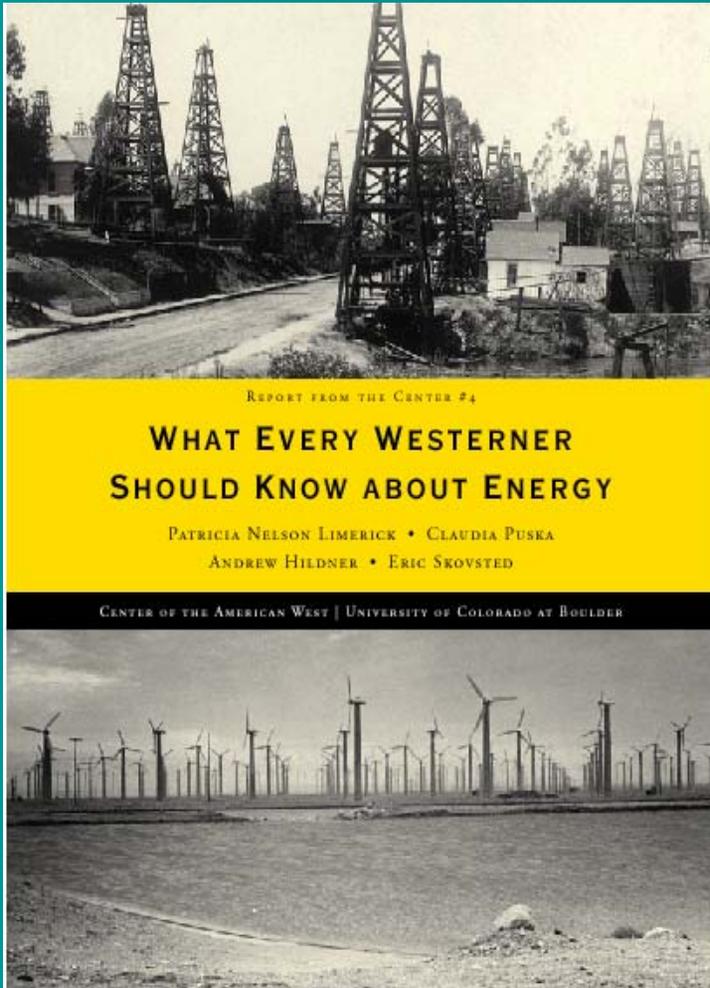
**The National Energy Policy calls  
for increased gas production but  
does not give industry  
*carte blanche*  
on public lands.**

# Oil and Gas Production on the BLM-Managed Public Lands



"There are 90 different land use plans or leasing proposals on the table. Four are especially controversial ... [Montana's] Rocky Mountain Front,... Wyoming's Upper Green River Basin,... 1.4 million acres around Utah's Desolation Canyon... [and] New Mexico's Otero Mesa."

New York Times - June 1, 2004



**“To extract fossil fuels, to erect solar and wind energy units, to build electricity generation plants, to string high voltage lines, and to store the by-products of energy production, energy development requires the use of open spaces. Westerners want energy, and they want open spaces.”**

- Local Government – Cooperating Agencies
- Split Estate – Instruction Memorandum

# **Best Management Practices (BMPs)**

- **Western Governor's Association BMP process and Handbook (April 2004)**
- **BMPs will be incorporated in BLM's re-write of the Gold Book**

# **BMP Implementation Efforts**



**Announcing  
The  
Bureau of Land Management's**

- Best Management Guidance**
- Best Management Practices  
Award**

“We’re looking at two really incompatible value systems, and both are crucial to human existence. And the only way to make judgments is for individuals to make those tradeoffs.”

Federal Reserve Chairman Alan Greenspan Testimony  
June 10, 2003